

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA**

LEXINGTON INSURANCE COMPANY,

Plaintiff,

- against -

DAVID FORREST, T. BEAUCLERC ROGERS IV,
STANLEY MUNSON, MARTIN FINK, all individually,
and NEW BEGINNINGS ENTERPRISES LLC, a
California Limited Liability Company, and
TARLO LYONS, a partnership,

Defendants.

Civil Action No. 02-CV-4435
(Hon. Anita B. Brody)

**ANSWER OF DEFENDANT STANLEY MUNSON TO THE
SECOND AMENDED AND SUPPLEMENTAL COMPLAINT**

Defendant, Stanley Munson, by and through counsel, hereby responds to the Plaintiff's
Second Amended and Supplemental Complaint and avers as follows:

1. Denied.

2. Denied.

3. Denied.

4. - 5. Answering defendant lacks sufficient knowledge or belief as to the allegations
contained herein and therefore denies them.

6. - 8. Admitted.

9. Admitted that Stanley Munson is a solicitor, formerly a salaried partner in Tarlo
Lyons, an officer of at least one Flashpoint company, a shareholder in a company owning shares
in a Flashpoint company, and a United Kingdom lawyer for certain Flashpoint companies.
Otherwise the allegations are denied.

10. Answering defendant lacks sufficient knowledge or belief as to the allegations contained herein and therefore denies them.

11. Admitted that New Beginnings Enterprises LLC is connected with Flashpoint. Otherwise the allegations are denied.

12. Admitted that Tarlo Lyons is a firm of solicitors of which Stanley Munson was a salaried partner and represented certain Flashpoint companies. Otherwise the allegations are denied.

13. Denied.

14. Denied. The allegations contained herein are conclusions of law and strict proof thereof is demanded at trial.

15. Answering defendant lacks sufficient knowledge or belief as to the allegations contained herein and therefore denies them.

16. - 17. Admitted.

18. Answering defendant lacks sufficient knowledge or belief as to the allegations contained herein and therefore denies them.

19. Denied.

20. - 30. Answering defendant lacks sufficient knowledge or belief as to the allegations contained herein and therefore denies them.

31. – 32. Denied.

33(a). Denied.

33(b). Denied.

33(c) (i)-(ii). Answering defendant lacks sufficient knowledge or belief as to the allegations contained herein and therefore denies them.

33(c) (iii)-(v). Denied.

33(d). Denied.

33(e) (i)-(ii). Answering defendant lacks sufficient knowledge or belief as to the allegations contained herein and therefore denies them.

33(e) (iii)-(v). Denied.

33(f). Denied.

33(g). Answering defendant lacks sufficient knowledge or belief as to the allegations contained herein and therefore denies them.

34. Denied.

35. The allegations are not directed against answering defendant and therefore no response is required.

36. Admitted that Mr. Justice Steel made a ruling dated January 19, 2001 and Defendant Stanley Munson respectfully refers this Court to that decision for a full and accurate statement of its terms. Otherwise the allegations are denied.

37. – 38. Denied.

39. Defendant Stanley Munson respectfully refers the Court to the documents specified for a full and complete statement of their terms. Otherwise the allegations are denied.

40. – 46. Denied.

47. Answering defendant lacks sufficient knowledge or belief as to the allegations contained herein and therefore denies them.

48. - 54. Denied.

55. - 59. The allegations contained herein are not directed at answering defendant and therefore no response is required.

60. - 72. Denied.

73. Denied that the quoted language appears in each separate Collateral Agreement with respect to each of the Hollywood Funding Nos. 4, 5 and 6 transactions. Otherwise the allegations are admitted.

74. Defendant Stanley Munson admits the first sentence of Paragraph 74 and otherwise denies the allegations.

75. Defendant Stanley Munson denies the first sentence of Paragraph 75 but otherwise admits the allegations.

76. – 87. Denied.

88. - 92. The allegations contained herein are not directed at answering defendant and therefore no response is required.

93. - 94. Denied.

95. - 96. Answering defendant lacks sufficient knowledge or belief as to the allegations contained herein and therefore denies them.

97. Defendant Stanley Munson admits the first sentence of Paragraph 97 and otherwise denies the allegations.

AFFIRMATIVE DEFENSES

1. The Court lacks personal jurisdiction over the defendant.
2. The complaint fails to state a claim upon which relief can be granted.
3. The claims in the complaint are barred by the statute of limitations.
4. The claims in the complaint are barred by the law of release.
5. The claims in the complaint are barred by the doctrine of unclean hands.

/s/ Conrad O. Kattner
Conrad O. Kattner, Esq.
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Attorneys for Defendant, Stanley Munson

Dated: January 27, 2005

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

LEXINGTON INSURANCE COMPANY

Plaintiff

v.

DAVID FORREST,
T BEAUCLERC ROGERS IV,
STANLEY MUNSON,
MARTY FINK,
NEW BEGINNINGS ENTERPRISES LLC,
and TARLO LYONS

Defendants

CIVIL ACTION

NO. 02-4435

CERTIFICATE OF SERVICE

Conrad Kattner, Esquire, attorney for Defendant, Stanley Munson, hereby certify that I
have caused copies of the foregoing:

ANSWER OF DEFENDANT STANLEY MUNSON TO THE
SECOND AMENDED AND SUPPLEMENTAL COMPLAINT

to be served electronically, and by any additional means shown, upon the following parties or
their counsel of record on the date below:

<p><u>Via Hand Delivery Jan. 28, 2005</u> Glenn F. Rosenblum, Esquire Jeffrey R. Lennan, Esquire Montgomery, McCracken, Walker & Rhoads 123 South Broad Street Philadelphia, PA 19 109</p> <p><u>Via Overnight Delivery Sent Jan. 28, 2005</u> Edward P. Krugman, Esquire Emily A. Poler, Esquire Ira J. Dembrow, Esquire Scott M. Mory, Esquire Cahill Gordon & Reindel 80 Pine Street New York, NY 10005 <i>Counsel for Plaintiff</i></p>	<p>Alexander Kerr, Esquire Stephen P. McFate McCarter & English, LLP Mellon Bank Center 1735 Market Street, Suite 700 Philadelphia, PA 19 103 and Beverly Y. Lu, Esquire Charles A. Adamek Lord Bissell & Brook, LLP 300 South Grand Avenue, Suite 800 Los Angeles, CA 9007 1 <i>Counsel for New Beginnings Enterprises</i></p>
<p>Edward M. Dunham, Jr., Esquire Shannon Hampton Sutherland, Esquire Duane Morris LLP One Liberty Place Philadelphia, PA 19 103 <i>Counsel for David Forrest</i></p>	<p>John D. Gordan, III Eugene F. Bannigan John N. Thomas 10 1 Park Avenue New York, NY 10 178</p> <p>Thomas M. Kittredge Kenneth L. Racowski 170 1 Market Street Philadelphia, PA 19 103</p> <p><i>Counsel for Tarlo Lyons</i></p>
<p>Nicholas M. Centrella, Esquire James J. Rohn, Esquire Kevin Dooley Kent, Esquire Conrad OYBrien Gellman & Rohn, PC 1 5 1 5 Market Street, 1 6th Floor Philadelphia, PA 19 102 <i>Counsel for T. Beauclerc Rogers, IV</i></p>	

Neil G. Epstein, Esquire Eckert Seamans Cherin & Mellott, LLC 15 15 Market Street Ninth Floor Philadelphia, PA 19 102 and Jeffrey D. Farrow, Esquire Mona Z. Hanna, Esquire Sanford Louis Michelman, Esquire Michelman & Robinson LLP 4 Hutton Centre, Suite 300 Santa h a , CA 92707 <i>Counsel for Martin Fink</i>	
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Respectfully submitted,

BY: /s/ Conrad O. Kattner
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Date: January 27, 2005